

Press Release

Sequana Medical's ALFApump® System receives reimbursement in Germany for breakthrough technology in ascites management

NUB grants approval for fifteen leading hepatology centres in Germany.

Zürich, SWITZERLAND – 1.March 2012

Sequana Medical announced today that its ALFApump® System has received German Neue Untersuchungs und Behandlungsmethode (NUB) approval which allows participating hospitals to receive reimbursement for innovative new products. Sequana Medical's ALFApump System is a fully implantable pump system designed to remove excess abdominal fluid, known as ascites, that collects in patients suffering from liver cirrhosis.

"This year only 16% of products submitted to the NUB received approval. Selection of the ALFApump System emphasizes the unmet medical need that exists in the management of refractory ascites and validates the ALFApump System as a breakthrough technology in ascites management" said Dr. Noel Johnson, President and CEO of Sequana Medical.

The ALFApump System consists of a subcutaneously implanted battery-powered pump connected to a catheter placed in the abdominal cavity which automatically and continually collects ascites as it forms and moves it into the bladder, where it is eliminated from the patient through normal urination.

"This innovative development marks the beginning of a completely new treatment option for cirrhosis patients suffering with refractory ascites", says Professor Frank Lammert, Director, Department of Internal Medicine II, Saarland University Hospital, Homburg. Refractory ascites affects over 100,000 patients in Europe and the US every year and the number of patients is growing at an annual rate of 10% due to the accelerating incidence of hepatitis and obesity-related liver disease.

Ascites is a common complication among patients with late-stage liver disease and is the leading reason for hospitalization among patients with cirrhosis. Paracentesis, which involves inserting a large-bore needle into the abdomen to drain 5-10 liters of accumulated ascites, is the most common

procedure for the treatment of ascites. However, paracentesis has to be repeated frequently, often every 7-10 days, as it doesn't prevent the re-accumulation of ascites. This repeated procedure is burdensome both to the patient and healthcare service provider.

"The economic benefits of the ALFApump System are substantial", says Dr. Johnson. "Use of the ALFApump System will provide considerable savings to payers by significantly reducing the requirement for paracentesis and avoiding repeated hospitalization." The NHS National Innovation Centre in the UK recently estimated that the ALFApump System could save the NHS £50 million per year. "Furthermore, the availability of this breakthrough technology to German hospitals will help to significantly improve the Quality of Life of patients suffering from refractory ascites. The successful NUB application for the ALFApump is a major milestone for Sequana Medical," concludes Johnson.

The ALFApump System was granted CE Mark in July 2011 and is currently being introduced into leading hepatology centres across Europe by Sequana Medical.

About Sequana Medical:

Founded in 2006, Sequana Medical is a Swiss medical device company backed by NeoMed Managment, VI Partners, Biomed Invest, Capricorn and Entrepreneurs Fund, dedicated to improving patient lives through innovative technologies to manage fluid overload in patients suffering from liver disease, cancer and congestive heart failure.

Contact:

Sequana Medical

Emily Woodward

Product Marketing Manager

Emily.Woodward@sequanamedical.com

Tel: +41 44 446 5074

www.sequanamedical.com